



## TAKING THE REINS

Who is your role model with regard to finances, or can you be a role model for someone in your life?

I remember my mother paid the bills for the family. Each month, I would watch her with checkbook, pen, envelopes, and stamps busily recording the family expenses. I asked her about it once. She told me my father was good at doing some things for the family and she was good at others. It was, essentially, a division of labor; in economics we call it specialization and exchange. Households can run well if duties are shared and even better if the duties are completed by those who do them best or enjoy them.

Every household is different when it comes to managing the finances. Many factors contribute to the varied abilities of individuals and money management; for example, researchers have found consistent results when studying the demographics of financial knowledge. Generally, those with higher levels of education — especially education related to personal finance — tend to score higher on a financial knowledge test. Older adults tend to understand more financial products than younger adults due to experience. This result always surprised me: Women tend to score lower than men.

There are a few reasons for this. Historically, women in our society have been dependent on men for money. Women may not be as encouraged to excel in math courses

as men. Overall, women's earnings are lower than their male counterparts. This leads to issues later in life, where women's pensions, Social Security benefits, and retirement savings are lower than men's. More single female-headed households are in poverty than single male-headed households.

On the other hand, we have women leaders emerging as role models for younger generations. This includes positions that require a complex understanding of numbers, math, and finances — chief executive officers, chief financial officers, and political leaders. For example, Carly Fiorina, former CEO of Hewlett-Packard, and Janet Yellen, chairwoman of the Federal Reserve Board. When I worked as an analyst in the aerospace industry, my boss was the first female vice president of business management. With the recent emphasis on women and girls in the fields of science, technology, engineering, and math, we are seeing changes.

Women role models are everywhere. Based on my experience with my mother's role in the family finances, it was surprising to find empirical results indicating a female deficit in financial knowledge, though researchers have found that women are more likely to have a written budget, plan their spending, and keep bills and receipts. Given the increasing availability of financial education on the national and local levels, I believe we can change this trend.

### PRIVATE NONPROFIT ORGANIZATIONS

National Endowment for Financial Education

- <https://nefe.org/>
- (303) 741-6333

Financial Industry Regulatory Authority, Inc. Investor Education Foundation

- <http://www.finrafoundation.org/resources/education/>
- (301) 590-6500

FINRA Securities Helpline for Seniors

- Call (844) 57-HELPS (844-574-3577)

Credit Union National Association

- <https://www.cuna.org/Stay-Informed/Press-Room/Financial-Literacy/>
- (800) 356-9655

American Institute of Certified Public Accountants

- <https://www.360financialliteracy.org/>
- (888) 777-7077

### GOVERNMENTAL AGENCIES

Consumer Financial Protection Bureau

- <https://www.consumerfinance.gov/> (click on Consumer Tools)
- (855) 411-CFPB or (855) 411-2372

Financial Literacy Education Commission, U.S. Department of the Treasury

- <https://www.treasury.gov/resource-center/financial-education/Pages/commission-index.aspx>
- <https://www.mymoney.gov/Pages/default.aspx>
- <https://www.treasury.gov/resource-center/financial-education/Documents/College%20Savings%20and%20Financing%20Resources%20FLEC%20202016.pdf>
- (800) FED-INFO (800-333-4636)

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